United Nations S/2006/45

Security Council

Distr.: General
25 January 2006

Original: English

Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999) of 10 June 1999, by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of the mandate. It covers the activities of UNMIK and developments in Kosovo, Serbia and Montenegro, from 23 May 2005 to 31 December 2005. The report focuses on developments since my letter of 7 October 2005 to the President of the Security Council (S/2005/635), to which I attached a comprehensive review of the situation in Kosovo prepared by Ambassador Kai Eide. Attached to the present report is the technical assessment of standards implementation prepared by my Special Representative, Søren Jessen-Petersen (see Annex I).

II. Political assessment

2. The comprehensive review, conducted from June to September of 2005, has encouraged the Kosovo Provisional Institutions of Self-Government (Provisional Institutions) to make some progress on both the implementation of the standards for Kosovo and on a number of other important processes, including dialogue between communities and reform of local government. Following the completion of the comprehensive review, the Security Council decided, on 24 October 2005 (see S/PRST/2005/51) to launch a political process designed to determine Kosovo's future status as foreseen in Security Council resolution 1244 (1999). On 10 November, the Council endorsed the appointment of Martti Ahtisaari as my Special Envoy for the future status process (see S/2005/709). Mr. Ahtisaari held initial consultations in the region, including in Kosovo, from 21 to 27 November 2005. Since then, the Kosovo Albanian leaders have made significant progress in preparations for the status process. However, progress by Kosovo's Provisional Institutions and the Kosovo Albanian leadership on standards implementation and on other major political processes has been too slow.

3. Throughout the reporting period, UNMIK concentrated its activities ensuring a continuing focus by the Government of Kosovo on the implementation of standards, technical dialogue with Belgrade, reconstruction of Serbian Orthodox religious

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heritage, decentralization, further transfer of competencies in the rule of law sector, and assessing and improving Kosovo's internal security architecture. UNMIK has started to adapt its structures to this new phase. Without prejudice to the outcome of the political process, my Special Representative initiated technical planning, together with partner organizations, for a possible international presence in Kosovo following the determination of its future status.

A. Political process

4. In September 2005, President Ibrahim Rugova moved to establish a negotiating team, comprising himself, the Prime Minister, the President of the Assembly and the leaders of the two main Kosovo Albanian opposition parties. Following initial difficulties, the negotiating team met for the first time on 6 October and established a political group to prepare specific position papers. Kosovo Albanian political and institutional leaders have welcomed the guiding principles of the Contact Group for a settlement of the status of Kosovo that were sent to President Rugova by the Contact Group on 5 November (S/2005/709, annex). At a plenary meeting on 17 November, the Kosovo Assembly unanimously adopted a resolution reconfirming the political will of the people of Kosovo for an independent and sovereign state of Kosovo. The resolution provided a mandate to the delegation of Kosovo for the future status process. A similar resolution was adopted by the Parliament of Serbia and Montenegro in Belgrade on 21 November. On 22 November, the Kosovo negotiating team met with my Special Envoy and submitted a document outlining its platform for status negotiations, including its commitment to equal rights for the majority and minority communities based on the rule of law. My Special Representative has repeatedly stressed that it is essential to involve civil society, women's groups and, in particular, minority community representatives in this process to ensure that they have a say in designing the future of Kosovo. On 9 December, the negotiating team established a Consultative Committee for Minorities, which will provide advice on minority issues. Overall, the team and its political group seem to be making progress in preparing Pristina for the status process, although detailed proposals on specific issues have yet to be agreed.

B. Kosovo Serb participation in the political process and the Provisional Institutions

5. During the reporting period, there has been a decline in the participation of Kosovo Serb leaders in the political process. Representatives of the Serbian List for Kosovo and Metohija (SLKM), the main Kosovo Serb party, remained outside the Provisional Institutions. Meanwhile, the Serbian National Council of North Kosovo (SNCN) has engaged more actively with UNMIK and has tried to fill the gap left by the SLKM as the main local interlocutor of the international community. The appointment in mid-September of a new head of the Serbian Coordination Centre for Kosovo, Sanda Raskovic-Ivic, was seen as an expression of the intention of the Belgrade authorities to take a more assertive role in political decisions relating to Kosovo and in promoting their implementation through the Centre's coordinators on the ground.

III. Security situation

6. The security situation in Kosovo, while generally stable, remains fragile. Violent incidents have continued, including several attacks on the police, the most significant of which, the shooting of the sentor-most Kosovo Serb officer of the Kosovo Police Service (KPS), took place on 28 September. On 30 November, a Kosovo Serb student reported a gunshot wound after a drive-by attack, which led to demonstrations and inter-ethnic attacks in the Kosovo Serb majority area of Gracanica near Pristina. The injury sustained by the student was later reported to have been self-inflicted. On 3 December, a rocket-propelled grenade hit a bus en route to Belgrade with 11 passengers on board (7 Kosovo Albanians, 3 Bosniaks and a Kosovo Serb), but failed to explode. Persistent reports have also been received of illegal checkpoints being set up at remote locations at night by armed, uniformed men. These incidents contribute to creating a perception of insecurity, most particularly for members of minority communities. It should be noted that criminal, rather than ethnic, motives may be at the origin of some of the recent incidents. Moreover, it seems likely that some of the incidents are connected to the initiation of the future status process and are designed to influence it. My Special Representative has directed the UNMIK Police Commissioner to take stringent measures to enhance the security of all the people of Kosovo, including increased mobile and foot patrols as well as vehicle checkpoints throughout Kosovo.

IV. Standards

7. During the reporting period, progress in the implementation of the standards has been too slow. On the positive side, there was an increase in minority employment by the central Government and in the Kosovo Protection Corps (KPC). KPC also carried out extensive humanitarian and reconstruction projects that benefited all of Kosovo's communities. Despite a number of security incidents, freedom of movement improved. The first phase of reconstruction works on Serbian Orthodox churches damaged during the violent events of March 2004 was completed. Projects to facilitate returns were initiated or planned in a majority of Kosovo's municipalities. The 2006 Kosovo consolidated budget was adopted on schedule, the budget management process was strengthened throughout 2005 and a letter of intent was negotiated with the International Monetary Fund (IMF). The privatization process moved forward rapidly and steps were taken to improve the protection of property rights.

8. At the same time, there were delays or setbacks in the implementation of all standards, with the exception of property rights and KPC. Urgent progress is needed to enable the Kosovo Assembly to become a central forum for democratic debate. Respect for and consolidation of an effective, independent civil service in Kosovo is essential. The Kosovo Assembly has yet to nominate members for anti-corruption institutions. Intimidation of justice system staff has increased. Security incidents in the late summer temporarily affected the freedom of movement of minority communities. The rate of returns remains very low. While uncertainties surrounding the future status process inevitably act as a disincentive for internally displaced persons to return to Kosovo, Kosovo's Provisional Institutions have yet to take essential actions to enable those wishing to return to do so. The Government in

Belgrade should contribute to the returns process by signing the protocol on returns agreed upon by the returns dialogue working group.

9. The fulfilment of Kosovo's long-term European perspective requires effective standards implementation. A new European Partnership document for Kosovo, within the European Union's broader stabilization and association process for the Western Balkans, was adopted by the Union on 12 December. The partnership incorporates the standards as requirements for Kosovo's long-term European perspective, thereby underscoring that they must continue to be a central focus of efforts by the Provisional Institutions throughout and beyond the status process. The Kosovo government has begun to prepare mechanisms and structures geared towards achieving the objectives and requirements of the partnership document. At the same time, the existing UNMIK-Provisional Institutions standards working groups and monitoring and reporting structures for standards will remain in place and will be reinvigorated during the period before the determination of Kosovo's future status.

V. Decentralization

10. Despite some encouraging developments, progress in local government reform remained uneven. In August, my Special Representative signed an executive decision establishing the territorial delineation of five pilot municipal units, two in Kosovo Albanian, two in Kosovo Serb and one in Kosovo Turkish-majority areas. Three decentralization pilot projects were subsequently successfully launched in the Kosovo Albanian and Kosovo Turkish-majority areas, with support from UNMIK. Although the Assemblies of these three pilot municipal units lack adequate premises, they met regularly. However, the establishment of the Kosovo Serb-majority pilot municipal units has been held up by the refusal by Kosovo's Provisional Institutions to map out units that would be dominated overwhelmingly by a Kosovo Serb majority, particularly in the case of the unit in Gracanica, as well as by Kosovo Serb insistence that two of the units must be overwhelmingly Kosovo Serb before they will consider participation. A Ministerial-level meeting held in Vienna on 16 September between representatives from Pristina and Belgrade focused on the longer-term perspectives of the reform of local government in Kosovo. The joint UNMIK-Provisional Institutions structures, consisting of a steering board and five working groups set up in February 2005, continued to work on the main areas of the reform of local government: legislation, local finance, pilot projects, capacity-building and transfer of competencies. Some progress, albeit uneven, was made in all these areas. The Kosovo Serb representatives, after initially participating, withdrew from the process in August and returned to some of the working groups only at the very end of 2005.

VI. Dialogue

11. During the reporting period, dialogue between Pristina and Belgrade showed small signs of progress at the political level, but stagnated at the technical level. At the political level, in addition to the Ministerial-level meeting in Vienna on decentralization, the respective Ministers of Culture met in Belgrade on 23 September and held a follow-up meeting in Bulgaria on 8 and 9 December. At

the technical level, the four direct dialogue working groups for technical cooperation continued to meet alternately in Pristina and Belgrade on the issues of energy, missing persons, returns, and transport and communications. However, progress has been limited since September and, with the initiation of the future status process, the parties have become increasingly reluctant to engage constructively in direct dialogue. While dialogue on technical cooperation has built a degree of trust between participants and has promoted formal and informal discussion between members of the delegations, there has been little if any trickle-down effect to the Kosovo public. This is, to a certain degree, the result of a lack of high-level attention to and support of the important work of its delegations by the Kosovo government as well as to a lack of appropriate technical preparation of those delegations, thus affecting not only the current technical processes, but also, potentially, the broader aspects of the dialogue. For their part, the authorities in Belgrade have not engaged with UNMIK or the Provisional Institutions to any noticeable degree on practical issues that could improve the conditions of the Kosovo Serbs.

VII. Serbian Orthodox cultural and religious heritage

12. Work on repairing and protecting the Serbian Orthodox cultural and religious heritage proceeded well and became one of the principal areas of contact between the Provisional Institutions and Kosovo Serb representatives. Reconstruction work on Serbian Orthodox churches damaged in March 2004 began on 10 October, under the auspices of the joint Reconstruction Implementation Commission, chaired by the Council of Europe. A first phase of consolidation and protection of 30 cultural heritage sites, funded almost entirely by the Provisional Institutions, was completed at the end of 2005. More extensive work is scheduled to continue in the spring of 2006. The executive decision of my Special Representative on the establishment of a special zoning area in and around the Decani Canyon area, where the Serbian Orthodox Visoki Decani Monastery is located, was welcomed by the Serbian Orthodox Church. Following a donor conference held in May of 2005, the United Nations Educational, Scientific and Cultural Organization (UNESCO) held the first session of the Experts Committee on the Rehabilitation and Safeguarding of the Cultural Heritage in Kosovo in Paris on 9 December. The Committee decided to implement 14 projects totalling over $3 million and to coordinate its work closely with the Reconstruction Implementation Commission, UNMIK and the Provisional Institutions.

VIII. Transfer of further competencies in the rule of law sector and internal security sector review

13. UNMIK has moved ahead with the transfer of further competencies to the Provisional Institutions, particularly in the field of rule of law and security, where local involvement is crucial to success in the fight against crime. Five out of six regions in Kosovo now have Kosovo Police Service commanders and all 33 police stations have now undergone the transition to operational control of the Service. In addition, several prisons and detention centres now have local directors. The promulgation in December 2005 of an UNMIK regulation establishing new Ministries of Justice and Internal Affairs marked a key step forward. My Special

Representative will closely monitor appointments to these ministries to ensure that they are made on the basis of merit and in accordance with the law. In this first stage, the ministries are given legal, technical, financial and administrative responsibilities in relation to police and justice. Transfer of more important responsibilities, such as operational control over the Kosovo Police Service and the Kosovo Correctional Service, will take place only after, and conditional upon, a positive assessment by my Special Representative of the performance by the new ministries in the first three months of their existence. If the outcome of the collaboration proves to be positive, the next step of the transfer will include the appointment of a Deputy Kosovo Police Service Police Commissioner, who will work directly under the guidance of the Minister of Internal Affairs, although still subject to the overall authority of the UNMIK Police Commissioner and my Special Representative. In this context, a regulation has been signed on the framework and guiding principles of the Kosovo Police Service, which provides a sound legal and ethical basis for a transitioned Service. This regulation also provides guarantees for minorities and paves the way for the creation of other new Kosovo institutions in the field of public safety such as the Police Inspectorate and the Kosovo Academy for Public Service Education and Development. Considerable work has also been done on the internal security sector review, a mechanism designed to develop an accountable, affordable internal security architecture for Kosovo, with the objective of integrating transferred and remaining reserved responsibilities into a coherent security system. My Special Representatives chaired the first meeting of the steering committee for the internal security sector review on 10 October.

IX. Possible future arrangements following the determination of the future status of Kosovo

14. The Contact Group's guiding principles for the future status process state that an international civilian and military presence will be required in Kosovo for some time in order to: carry out functions such as supervision of compliance with provisions of a future status settlement; ensure security and protection of minorities; and monitor and support the continued implementation of the standards. In October, my Special Representative initiated consultations with a view to preparing a technical assessment of the needs for the possible future international involvement in Kosovo, without prejudice to the outcome of the future status process. This assessment is being conducted by UNMIK together with its partner organizations, the European Union, the Organization for Security and Cooperation in Europe (OSCE) and the North Atlantic Treaty Organization (NATO), as well as with the United Nations funds and agencies and bilateral donors present in Kosovo. It focuses on four main areas: rule of law; good governance; democratization, human rights and minority issues; and economic and fiscal issues. The participation of international partners in this mechanism is of considerable importance, given that their continued engagement in Kosovo will remain a key element in ensuring compliance with the provisions of an eventual status settlement and maintaining stability in Kosovo and the region.

X. Observations

15. I welcome the decision of the Security Council to launch a process designed to determine the future status of Kosovo. Kosovo's future status has become the main political issue in Kosovo and is being followed closely in the region. Kosovo's political leaders have made significant efforts to prepare for the future status process. They have established a negotiating team and adopted a political platform.

16. While I welcome these preparations for the future status process, I am seriously concerned that there have been delays or setbacks in most areas of standards implementation. Implementation of the standards by Kosovo's political leaders and institutions is an obligation to Kosovo's people and must be vigorously pursued. I strongly urge Kosovo's leaders to renew their efforts to ensure substantive, accelerated and sustainable progress in the implementation of the standards. Such progress will provide the international community with an important indication of the willingness of Kosovo's leaders to create the foundations for a sustainable multi-ethnic, democratic society, in which members of all communities can live in dignity and security. In addition, the results achieved in implementation of the standards will be an important factor in determining the pace and progress of the political process designed to determine Kosovo's future status. A demonstration of progress in key areas of standards implementation such as returns, dialogue and outreach to Kosovo's minority communities, as well as on decentralization, would also contribute to easing political tensions between communities.

17. It is equally important to ensure the active participation of Kosovo Serb leaders in Kosovo's institutions at the central and local level. To achieve this, the authorities in Belgrade need to encourage, rather than to discourage, the Kosovo Serb leaders to participate constructively in the Provisional Institutions, in particular on practical issues. This would enable them to convey their concerns, would contribute to concrete improvements in the living conditions of their community in Kosovo and would ensure that their interests are taken into account.

18. An important first step in this direction would be full Kosovo Serb participation, with the support of advisers nominated by the authorities in Belgrade, in the process of local government reform. I strongly urge the authorities in Belgrade to support and not oppose the full engagement of Kosovo Serbs in the Pristina-based decentralization process. I call on the leaders of the Provisional Institutions to effectively implement the pilot municipal units and to work on comprehensive local government reform. This process needs to move ahead now, so that it can feed into the future status talks.

19. Some progress was made in direct dialogue at the technical level on practical matters of mutual concern between Pristina and Belgrade, despite the recent hardening of positions on both sides. I welcome the first meetings at the Ministerial level between the representatives of Kosovo's Provisional Institutions and of the Government of Serbia and Montenegro on decentralization and cultural issues. I urge those concerned to move these discussions forward, as direct dialogue at both the political and technical levels is an essential vehicle to advance the political process. These exchanges should complement and reinforce the dialogue facilitated by my Special Envoy for the future status process, so as to create an environment of mutual trust and confidence.

20. The overall number of refugees and internally displaced persons returning to Kosovo continues to be very low. I call on Kosovo's leaders at both the local and central levels to redouble their efforts to unreservedly reach out to minority communities, in particular the Kosovo Serbs, and to demonstrate their support to those wishing to return. By clearly demonstrating their political and financial commitment to returns, Kosovo's leaders can contribute to easing political tensions between communities and can deliver concrete results for all in Kosovo. At the same time, I call on the authorities in Belgrade to work constructively with UNMIK on practical matters that can improve living conditions and prospects for those members of the Serb community who remain in Kosovo.

21. The increase in serious security incidents, including of incidents that may have targeted Kosovo Serbs for ethnic reasons, is a further cause for concern. The perpetrators of these crimes, whatever their motive, should be condemned in the strongest possible terms. I call on Kosovo's leaders and its institutions to work closely with UNMIK to ensure that those responsible are brought to justice.

22. As we enter into status talks, I call on the international community, in particular the member States of the Security Council and the Contact Group, to continue to provide strong support to the process. I welcome the Guiding principles for a settlement of the status of Kosovo prepared by the Contact Group. The challenging period ahead will require the full political engagement of the international community to enable the United Nations to fulfil the mandate entrusted to it by the Security Council under its resolution 1244 (1999).

23. I would like to extend my appreciation to my Special Representative, Søren Jessen-Petersen, and to the staff of UNMIK for their continued dedication and commitment to the values and objectives of the United Nations and to their steadfastness in carrying out their challenging tasks, often in difficult circumstances. I would also like to extend my appreciation to the Kosovo Force (KFOR), our partners within UNMIK, the European Union and OSCE, and to the other organizations, agencies, contributors and donors for their commitment and valuable political and practical support.

Annex I

Technical assessment of progress in implementation of the standards for Kosovo

Prepared by the Special Representative of the Secretary-General for Kosovo
20 December 2005

1. Implementation of the standards for Kosovo continued throughout this reporting period, although at a slower rate than in previous periods. Most progress was visible in property rights and the economy; least in sustainable returns and the rights of communities and their members, and technical dialogue. This assessment records developments during the reporting period and urgent priorities.

Functioning democratic institutions: developments during the reporting period

2. The Assembly adopted improved rules of procedure. Adherence to the rules improved: no major violations occurred during plenary sessions (some procedural violations continued). Public hearings were held on 11 draft laws. A women's caucus has been established including all parties and minority community members.

3. Legislative drafters and the Assembly continued to rely on the support of the United Nations Interim Administration Mission in Kosovo (UNMIK) to amend legislation to ensure technical adequacy and compliance with the constitutional framework and international human rights instruments. Ten laws adopted by the Assembly are under UNMIK review for conformity with international standards; five need to be revised to comply with the constitutional framework. The independent media commission law required an UNMIK amendment to ensure the Commission's independence. Laws significantly affecting women, such as those on the family and inheritance, continued to be drafted and adopted without consultation with women's groups.

4. The adherence of municipal assemblies to their rules of procedure deteriorated: seven serious violations by municipal authorities have required UNMIK intervention since September. Public consultations on draft municipal legislation increased.

5. Following a meeting of senior Belgrade leaders on 18 July, members of the largest party representing Kosovo Serbs, the Serbian List for Kosovo and Metohija (SLKM), continued to exclude themselves from the Assembly and government of Kosovo. This decision, which was made against the objections of Kosovo Serb leaders willing to participate, undermined previous improvements in dialogue between Kosovo's communities, including SLKM participation in early decentralization working groups.

6. Repeated international intervention was required to ensure that the Senior Public Appointments Committee complied with the law. Five permanent secretaries and four Ministry of Public Services senior officials were dismissed without correct procedures. The Civil Service Independent Oversight Board started hearing grievance appeals from mid-level civil servants and reviewing appointments at the

level of heads of departments as well as employers' compliance with the civil service law.

7. An Inter-Ministerial Commission has been established to monitor minority access to public services.

8. Minority employment in the central ministries is 10.68 per cent (9.6% in January, 10.2% in April, target is 16.6%). Seventeen of 30 municipalities met or exceeded their targets; seven achieved or exceeded 70 per cent of the target goal. The Ministry of Public Services developed a system for monitoring employment in Kosovo's institutions by gender, community and level. Budget-driven downsizing has adversely impacted minority employment in six municipalities (Vushtrri/Vučitrn, Pejë/Peć, Istog/k, Gjakovë/Djakovica, Fushë Kosovë/Kosovo Polje, Ferizaj/Uroševac).

9. The Government approved a progressive law on the use of languages; objections have been raised in the Assembly. Meetings of the Assembly were held in all official languages. Municipal assembly and committee meetings were interpreted whenever minority members were present; inadequate equipment and staffing limited the quality of interpretation. Twenty-three municipalities are fully or partially language compliant in respect of road signs; 22 are fully or partially compliant in respect of signs on municipal buildings. All ministries and 18 municipalities have language units; 15 municipal units function well. Another 10 municipalities have hired, or appointed staff to act as, translators. Official documents are translated in 14 municipalities and partially translated in 12. Language compliance monitoring mechanisms have been established. The mechanisms are functioning reasonably effectively for the central government and 12 municipalities.

10. An Office of Gender Equality is to be established within the Office of the Prime Minister. Nine of 17 planned staff are in place.

11. The Independent Media Commission law was promulgated; appointment of the Council of the Commission is progressing. The law on the public broadcaster was passed by the Assembly at first reading, and reviewed by relevant Assembly committees.

12. Minority language programmes comprise 9.2 per cent of public television and 12.5 per cent of public radio broadcasting. Thirty of 118 broadcast stations broadcast in at least two languages; 18 provide regular programmes in Roma. The minority broadcasting strategy includes the establishment of a Minority Media Fund to support private and public provision of minority and multi-ethnic media; the government has committed €50,000 to this effort.

13. All 13 main daily and weekly newspapers have endorsed the press code. A Press Council (with Kosovo Albanian and Kosovo Serb deputy chairs) has been established to monitor the Code's implementation.

14. Parallel structures continue to operate in all municipalities where significant Kosovo Serb populations live. On 7 December, the President of Belgrade's Coordination Centre for Kosovo wrote to at least some Kosovo Serb employees that:

> "All individuals who have established labour relations in the Permanent Institutions beyond the competence of the Republic of Serbia and Montenegro (UNMIK) or are engaged in any way with those Institutions have to decide

on one labour relationship. If they do not do so, their labour relations in institutions of the Republic of Serbia and Montenegro will be cancelled."

This has been understood by most recipients as a requirement to stop working in or with the Provisional Institutions of Self-Government. Other Kosovo Serb staff offered employment contracts by the Provisional Institutions report being forbidden by Belgrade to sign them.

Functioning democratic institutions: urgent priorities

15. The Assembly needs to meet more often for debate (without awaiting for draft legislation to initiate discussion) and to exercise effective oversight by scrutinizing government policies, performance and spending. The Assembly secretariat must provide free access to documentation by Assembly members.

16. Legislative drafting capacity needs to be strengthened. Draft legislation needs to be technically adequate and in conformity with the constitutional framework and human rights instruments before submission to UNMIK and/or adoption by the Assembly.

17. All municipal assemblies and officials need to comply with their rules of procedure, terms of reference and the law at all times.

18. Kosovo Serbs can best define and promote the interests and needs of Kosovo Serbs. In the absence of Kosovo Serb participation in the Assembly and government of Kosovo, the constitutional framework, the international community and the Provisional Institutions of Self-Government will seek to define, promote and protect those interests and needs and the rights of Kosovo Serbs. Kosovo Serbs need to participate in the Assembly, government and Ministries of Kosovo in order to ensure that their rights, needs and interests are defined, promoted and protected optimally.

19. Public administration reform is an urgent priority. Mechanisms for civil service accountability and professionalism are not functioning well. Appraisal and performance management systems need to be used effectively. Employment, dismissal and disciplinary procedures need to be respected in all institutions. Decisions taken by the Senior Public Appointments Committee (under international pressure) need to be implemented. The Committee needs to act in accordance with its rules of procedure and the objective of ensuring a professional, non-politicized civil service.

20. Clear understanding of ethical conduct requirements is needed. Mechanisms to investigate allegations of misconduct need to be used effectively. Elected officials and public servants responsible for unethical, fraudulent or corrupt behaviour need to be effectively disciplined.

21. Basic public services are not provided to a high quality to any community; improvements, particularly in education and health care, are urgent priorities. All ministries, municipalities and service providers funded under the Kosovo consolidated budget need public service standards. Improved and more accessible services offered by Provisional Institutions of Self-Government service-providers are central to reducing demand for services provided by parallel structures.

22. Minority recruitment and the promotion of qualified minority employees to senior levels need to continue in central ministries and some municipalities, particularly Deçan/Dečani, Klinë/a, Ferizaj/Uroševac, Leposaviq/ć, Pejë/Peć and

Shtime/Štimlje. Minority communities need to encourage their members to apply for posts in the civil service and public service providers.

23. The Assembly needs to adopt the law on the use of languages.

24. Official communication and documentation needs to be in all official languages. Ministries need to lead by example. All municipalities need to ensure adequate staffing for translation and interpretation requirements. Malishevë/Mališevo and Zveçan/Zvečan need translators. Malishevë/Mališevo, Deçan/Dečani, Leposaviq/ć, Zveçan/Zvečan, Zubin Potok, Shtërpcë/Štrpce and Kaçanik/Kačanik need road signs in all official languages. Signs on public buildings need to be in all official languages in Malishevë/Mališevo, Deçan/Dečani, Prishtinë/Priština, Gllogovc/Glogovac, Leposaviq/ć, Shtërpcë/Štrpce Skenderaj/Srbica, Zveçan/Zvečan and Zubin Potok. Language compliant signs that are defaced need immediate corrective action.

25. Women hold 27 per cent of jobs in central ministries and 26 per cent of municipality jobs, including a high proportion of non-professional grades. Representation at senior levels remains negligible. Qualified women need to be promoted to decision-making levels in every ministry and municipality. Gender officers need to be included in decision-making. All municipalities need to consult communities and women on draft legislation. The Office for Gender Equality needs a budget allocation and clearly demarcated responsibilities. Kosovo's action plan for the achievement of gender equality needs to be updated, accountability mechanisms defined, and implemented.

26. Kosovo Radio-Television (RTK) needs to increase programming in minority languages. The strategy for minority broadcasting needs to be implemented.

27. Print media in Kosovo continues to report on minority issues but from a largely negative standpoint. Serbian-language newspapers imported from Serbia proper often contain misleading news coverage about Kosovo, and cannot be said to properly serve Serbian-language readers in Kosovo (temporary Media Commissioner). Media will best serve the people of Kosovo if they contribute to information and understanding without exacerbating tensions.

Rule of law: developments during the reporting period

28. Charges have been pressed against 426 people relating to the violence in March 2004 (209 convictions, 12 acquittals, 110 cases pending, 95 cases dropped). Gjilan/Gnjilane District Court sentenced six Kosovo Albanians to 38 years (total) imprisonment for crimes committed during that violence. Although the Organization for Security and Cooperation in Europe (OSCE) had not previously raised concerns over the conduct of cases related to the violence of March 2004 by local judges and prosecutors, an OSCE report published in December 2005 concluded that the Kosovo judiciary's response failed to send out a clear message to the population condemning this type of violence. Responsibility for concluding the investigations passed to Kosovo Police Service regional crime squads; investigations continued on the basis of statements of victims and witnesses collected by the Ministry of the Interior of Serbia and Montenegro.

29. All 33 police stations, all regional headquarters, except Mitrovica, all regional crime squads, all regional traffic units, the Kosovo Police Service Appeals Board, weapons licensing, community policing, professional standards, forensics, the

Kosovo Police Service Canine (K-9) Unit and gender affairs units have been put under the control of the Kosovo Police Service. During the reporting period, 1,700 officers of the Service have been trained in riot control. The Mitrovica Detention Centre is now under the control of the Kosovo Correctional Service.

30. The Kosovo Police Service and the Kosovo Correctional Service remain multi-ethnic. Of the total number of police officers, 15.2 per cent are from minority communities, with more than 20 per cent of higher ranking officers coming from minority groups. Women's participation in rule of law institutions compares favourably with the region: 50 per cent of court liaison officers, 75 per cent of victims advocates, 45 per cent of the professional staff of the Judicial Inspection Unit, 17 per cent of correctional staff, 30 per cent of judges, 18 per cent of prosecutors and 14 per cent of police.

31. Crime clearance rates remained broadly comparable across communities.

32. Three complaints were received of possible ethnic bias among judges and prosecutors. None of the 11 cases referred to the Kosovo Judicial and Prosecutorial Council during 2005 alleged ethnic bias. Minority community members comprise 10 per cent of judges and 9 per cent of prosecutors.

33. Five more court liaison offices (now 10) opened in minority areas: Prelluzhë/Prilužje, Mitrovicë/a, Novak/e, Osojan/e and Shillovë/Šilovo.

34. Over 42,300 cases are backlogged in the civil courts.

35. New codes of conduct for judges and prosecutors have been drafted.

36. Serious and organized crime, financial and economic crime, including corruption, money-laundering and trafficking, continue in Kosovo as across the region. These crimes and crimes rooted in extremism and war crimes are the most difficult for rule of law institutions to combat successfully. Pursuing successful investigations, supporting local police, prosecutors and judges investigating and trying these cases, and building courageous and impregnable structures of visible integrity to respond effectively to these most difficult areas of justice presents an ongoing challenge to UNMIK and the Provisional Institutions of Self-Government.

37. Intimidation and attempts to intimidate witnesses and justice system employees continued. All Kosovan judges in one municipality withdrew from a case after receiving threats. Two witnesses reported intimidation in a murder and a terrorism case. A witness in a war crimes case was murdered and his grave desecrated.

38. Full cooperation with the International Tribunal for the Former Yugoslavia, and legal cooperation with other jurisdictions, continued.

39. No significant progress was made on tackling corruption.

40. The action plan to combat trafficking in persons was approved and work in its implementation was started. An anti-trafficking campaign, "Not for Sale", was initiated. A charge-free telephone help-line for victims and a victims' resource centre opened. The Interim Secure Facility continued to support victims of trafficking. Three citizens of Albania were sentenced to long prison terms for human trafficking.

Rule of law: urgent priorities

41. The remaining investigations of and prosecutions of incidents related to the March 2004 violence need to be brought to conclusion.

42. Intimidation threatens the rule of law and the justice institutions across Kosovo and deters foreign investment. Political leaders of all parties need to lead a campaign against intimidation of, and assaults against, witnesses, police, judges, prosecutors and corrections service staff. Policies of zero tolerance and tough sentencing are needed.

43. The Ministries of Interior and Justice established on 20 December need to become effective structures for implementing rule of law competences as they transfer from UNMIK. The nominations of political leaders of ministers, deputy ministers and permanent secretaries for these ministries need to signal determination and ability to protect the rule of law and to support the development of the ministries into effective rule of law institutions.

44. The number of serious violent crimes that promote inter-ethnic hatred and fear remained low; levels of intimidatory and harassing acts are higher. The impact of serious crimes and intimidatory and harassing acts on vulnerable minority communities of all ethnicities is significant, and perpetrators of such crimes need to be brought to justice in each and every instance.

45. More village police stations and substations, court liaison offices and community policing are needed to strengthen minority access to police and justice. Efforts to recruit minority community judges and prosecutors need to continue. Qualified women and minorities need to be recruited in specialized units of the Kosovo Police Service and promoted to the higher ranks of the Kosovo Correctional Service.

46. Effective legal, financial and administrative mechanisms conforming to European Union standards are needed to tackle economic crime in the public and private sectors. Money-laundering legislation needs to be effectively implemented.

47. Violence against women and children, trafficking and other forms of exploitation continue at unacceptable levels in Kosovo as across the region. Further action is needed at all levels to ensure that women's human rights are effectively protected. Political leaders of all parties and at all levels need to lead public opinion by speaking out against such crimes and in favour of the equal value and treatment of men and women. Zero tolerance and tough sentencing are needed.

48. Judgments in civil law matters and court fines need to be enforced. Capacity-building for the civil courts is needed to reduce backlogs and manage their caseload effectively.

Freedom of movement: developments during the reporting period

49. Serious security incidents increased. A rocket-propelled grenade hit a bus near Prizren. A bomb exploded in the Shtërpcë/Štrpce market. Two Kosovo Albanians were shot dead in Prishtinë/Priština. Two Kosovo Serbs were murdered and two wounded near Shtërpcë/Štrpce. A grenade detonated under a Kosovo Police Service vehicle close to UNMIK headquarters. The regional commander of the Kosovo Police Service in Gjilan/Gnjilane, the highest-ranking minority member in the Service, was wounded when his vehicle was attacked in Kaçanik/Kačanik. A

grenade was thrown at a Kosovo Serb-owned house in Klinë/a. An empty Kosovo Serb house in Kllokot/Klokot was destroyed in an explosion. A Kosovo Serb reported being shot in Sushicë/Sushica; the report provoked stone-throwing against Kosovo Albanians in Graçanicë/Gračanica (it was later established through forensic evidence that the shooting was in all likelihood self-inflicted and not fired from a distance). Seven Kosovo Albanians were beaten in northern Mitrovica in four separate incidents. Not all these incidents were necessarily inter-ethnic in nature, and some may well not be. They nevertheless exacerbate inter-ethnic tensions. They also impact particularly on minority communities' sense of security. Police have responded, including doubling the number of foot patrols in each municipality, establishing 50 additional fixed and mobile vehicle checkpoints and increasing the state of readiness to quickly mobilize officers in response to incidents.

50. Attacks on religious and cultural sites of Kosovo Albanian and Kosovo Serb communities continued at a low level (averaging 2 per month). Some acts appeared ethnically motivated in nature; others, such as the theft of lead from church roofs, did not. The number of reported crimes specifically related to movement by minorities remained low (averaging 2 per month).

51. Minority communities travelled more freely around Kosovo. Of 583 minority community members surveyed for the most recent International Police freedom of movement assessment (18 November), 83 per cent said that they travelled outside their areas of residence to other parts of Kosovo. The trend in minorities' perceptions of their freedom to move was also generally upwards: 69 per cent of people surveyed on 18 November assessed that they were "able to travel safely in Kosovo". Some members of all communities remain largely within areas where they are in the majority.

52. Regular military escorts ceased. The Kosovo Force (KFOR) fixed guarding reduced to 14 positions (50 before March 2004; 133 thereafter). Police continued to provide close protection and escorts for Serbian Orthodox clergy travelling around Kosovo and for visitors from Serbia proper to Serbian Orthodox sites in Kosovo.

53. As of July 2005, the Austerlitz Bridge joining northern and southern Mitrovica was opened for traffic 24 hours a day. Two-way traffic crossed the bridge at approximately 80 cars per day through August, after which monitoring ceased as traffic became routine. Kosovo Serbs crossing the Bridge do not feel safe to move freely in southern Mitrovica; Kosovo Albanians do not feel safe to move freely in northern Mitrovica.

54. Political leaders condemned inter-ethnic crimes and encouraged cooperation with the police in solving them. For the first time since 1999, public meetings were held with participation of Kosovo Serbs in Peja/Pec to discuss freedom of movement and security. Community policing initiatives are having a positive impact in nine municipalities.

55. Eighteen municipalities have functioning local crime prevention/community safety councils; eight are established and partially functioning. Chairing of these councils is now under local control.

56. Five inter-urban bus lines subsidized by the Kosovo consolidated budget have opened, connecting minority communities in Prishtinë/Priština, Mitrovicë/a, Prizren and Gjilan/Gnjilane regions. Four are well used (3,478 passengers in October). There were no recorded incidents of intimidation, violence or resignations related to

minority communities' transport to/from work. Five additional licences are to be awarded for vehicle inspection centres in minority locations.

Freedom of movement: urgent priorities

57. Violent crimes occur against members of all communities but their impact is most significant on fragile minorities and returnees and on their perceptions of security; minority confidence on freedom of movement has fluctuated between 55 and 78 per cent depending on incidents prior to survey. Intimidating acts, rumours, some political statements and certain types of reporting exacerbate fears and undermine confidence. They need to stop. Reliable systems for identifying acts preventing and/or deterring free movement need to be established in Kosovo. Political and municipal leaders need to lead public opinion by speaking out in favour of free movement for all and condemning, without delay, all incidents and intimidatory acts that challenge or impede it. Zero tolerance policies need to be adopted by police and justice systems.

58. The start of status talks and the surrounding public debate risk increased inter-ethnic tensions. Leaders and the media in Belgrade and Pristina need to ensure that their statements and reporting during status talks do not exacerbate tensions and/or lead to volatility and violence between communities.

59. Local community police and security committees need to function in Prishtinë/Priština and Obiliq/ć, and to be established in Zubin Potok. More community policing will support and encourage free movement.

60. Transport operators need to hire more minority community members.

Sustainable returns and the rights of communities: developments during the reporting period

61. Numbers of returns remained low. The Office of the United Nations High Commissioner for Refugees (UNHCR) documented 1,925 voluntary returns from 1 January to 30 November 2005, of which one third were Kosovo Serbs. The 1,371 persons displaced in March 2004 remained so as at 30 November 2005.

62. Returns projects are ongoing in 18 municipalities and planned in 6 more; projects in 13 municipalities await funding. Klinë/a municipality developed the first concept paper prepared entirely by local actors and has committed to its full implementation. Twenty-five municipalities have endorsed municipal returns strategies (1 awaits endorsement); 28 have functioning municipal returns officers. Malishevë/Mališevo, Deçan/Dečani and Zveçan/Zvečan particularly need to support, and build public acceptance for, returns.

63. Urban returns are ongoing in 13 municipalities and planned in three more. Twenty-two Kosovo Serb families have returned to urban Klinë/a where local authorities have led strongly and committed to supporting returnees without international assistance.

64. The Ministry of Labour and Social Welfare has assumed humanitarian responsibility for all internally displaced persons who left Kosovo as a result of the violent events of March 2004 who meet the eligibility criteria.

65. The strategic framework on communities and returns was launched in July. Funding for those returns projects identified in 2004 transferred from the Ministry

of Communities and Returns to the United Nations Development Programme (UNDP) for implementation. Funding for returns projects approved in 2005 also subsequently transferred to UNDP; implementation was delayed for six months (project documents signed on 19 December) by the objections of the Minister of Communities and Returns to previously agreed implementing partners and insistence on direct implementation by the Ministry. The Ministry of Communities and Returns has neither implementing capacity nor adequate financial management capacity to undertake implementation successfully (European Agency for Reconstruction and UNMIK capacity-building is under preparation).

66. A protocol on returns was agreed at the technical level between Pristina and Belgrade in September.

67. An extensive outreach campaign entitled "We Can Live Together", involving teams of ministers visiting displaced and receiving communities was completed. It promoted tolerance, respect for diversity, freedom of movement, human rights and property rights, and called for integration and employment of minority community members. The outreach efforts of most ministers of the Prime Minister and other political leaders were significantly reduced thereafter.

68. The Ministry of Communities and Returns stopped work on a database of displaced persons to measure the demand to return.

69. No progress has been reported since August in the March 2004 reconstruction programme. Over 170 complaints have been received about the quality of residential reconstruction; 38 of 42 houses inspected by UNMIK and KFOR engineers are not habitable. A dossier documenting unacceptable construction quality in Svinjare was passed to the government in October; corrective action remains to be taken. Commercial property reconstruction has not started. Over 40 per cent of those eligible for secondary buildings compensation, and over 25 per cent of those eligible for €2,000 start-up assistance, remain to be confirmed as paid. The draft 2006 Kosovo consolidated budget includes €417,000 for completion of the reconstruction and compensation programmes, an amount that is considered insufficient. These failures undermine returns and the prospect for returns and undercut the government's message in the immediate aftermath that the violence was unacceptable and would not be repeated.

70. Fair share financing targets were exceeded overall by €1.5 million in 2004. Some municipalities recorded expenditure against fair share financing targets that did not sustainably benefit minority communities and, in occasional cases, seemed not to relate to minority communities at all.

71. The Government has included a line in the draft 2006 Kosovo consolidated budget to earmark funds for municipalities with a good record of standards implementation and minority integration.

72. The second draft of the Kosovo human rights strategy is being circulated for consultation. UNMIK submitted a first annual report for Kosovo under the Framework Convention on the Protection of National Minorities. Human rights focal points have been appointed in all ministries. Equal opportunity officers have been appointed in the office of the Prime Minister, five ministries and 24 municipalities.

73. Pre-primary, primary and secondary education continued to be available in Albanian, Serbian and Turkish. Roma language school courses are under development. The Ministry of Education Science and Technology and Save the Children Kosovo have developed a project for mixed (Kosovo Serb, Kosovo Albanian, Turkish) pre-primary classes in six municipalities.

74. The Government endorsed a comprehensive action plan to implement the anti-discrimination law, which includes information campaigns and training; implementation is scheduled to start in January 2006.

75. A regulation establishing a human rights advisory panel awaits approval from Headquarters.

Sustainable returns and the rights of communities and their members: urgent priorities

76. Implementation of 2005 returns projects needs to start. Work on the database of displaced persons needs to restart.

77. Uncertainty over the outcome of the future status process and its impact on the sustainability of returns presents a significant unavoidable disincentive to return at this time. The economic security of returnees remains very limited; economic uncertainty and limited employment opportunities affect all people in Kosovo, but impact particularly on returnees, who are largely without supporting family structures. Other factors impeding returns, and therefore priorities for action, include shortages of social housing, weak property rights protections, security concerns and perceptions, discouragement to return from Belgrade and donor funding shortages. Central and municipal authorities need to ensure non-discriminatory access to basic services and economic opportunity for returnees and minority community members.

78. Visible support for returns and outreach to displaced and receiving communities by all political leaders, including the Prime Minister, the President of the Assembly, ministers, municipal presidents and members of the opposition, needs to increase significantly.

79. Leposaviq/ć, Zveçan/Zvečan and Zubin Potok need Municipal Assembly-endorsed municipal returns strategies. Zveçan/Zvečan needs a municipal returns officer. Leposaviq/ć and Kaçanik/Kačanik municipalities need to support returns with "Go and inform" and "Go and see" visits. Women's representatives need to be included in returns planning and implementation.

80. Implementation of already agreed returns projects will require €30 million in additional funding.

81. Communities committees are needed in Obiliq/ć, Lipjan/Lipljan, and Malishevë/Mališevo. Mediation committees are needed in Rahovec/Orahovac, Deçan/Dečani, Prishtinë/Priština, Obiliq/ć, Lipjan/Lipljan, Skenderaj/Srbica and Mitrovicë/a. All communities need to participate in communities and mediation committees.

82. Manipulation of fair share financing reporting does not give confidence that resource allocation would be maintained if not internationally monitored. All municipalities and ministries need to record fair share financing funding accurately.

83. Legislation to protect human rights and the rights of communities and their members, consistent with European standards, needs to be fully implemented. A PISG structure is needed to monitor compliance with human and community rights and to respond to violations. The Kosovo human rights strategy needs to be completed and implemented. Subsidiary legislation and a systematic public information campaign for the anti-discrimination law need to be drafted and implemented. Further work is needed on the local self-government law, particularly vital interest mechanisms.

Economy: developments during the reporting period

84. Budget management strengthened. Spending agencies had spent 59.5 per cent of their budgets (79.4 per cent of pro-rated allocations) by the end of the third quarter. The Ministry of Finance and Economy implemented a budget-neutral mid-year review and fiscal adjustment. The 2006 budget was endorsed by the Economic and Fiscal Council and approved by the Assembly in time for promulgation on 20 December.

85. Several unauthorized budget transfers were identified and reversed at my requirement. Other attempted transfers, which would have increased the wage bill, were corrected by the Ministry of Finance and Economy.

86. Chairmanship of the Economic Fiscal Council was transferred to the Prime Minister. The medium-term budget framework was endorsed by the Economic Fiscal Council; work on the medium-term expenditure framework continued. A letter of intent was signed with the International Monetary Fund (IMF) on Kosovo's medium-term economic and fiscal policy framework, committing the Government to stricter control of overall public expenditure and limits on the budget deficit, public sector employment and benefits and growth in government spending.

87. The concerns of IMF that authorized civil service staffing levels would be exceeded were successfully addressed by the Provisional Institutions of Self-Government. The wage bill for 76,700 civil service staff will be around 30 per cent of the 2006 Kosovo consolidated budget.

88. Privatization continued to accelerate, with the ninth to twelfth waves initiated. Special spin-off sales continued. The finalized sales purchase agreement for "Ferronikeli", worth €30.5 million, represented the largest private foreign investment in Kosovo since 1999.

89. First steps towards a Kosovo development strategic plan were taken. The target date for completion is end 2006.

90. Kosovo Trust Agency disputes with 20 municipalities over sequestered socially owned enterprises land made some progress. Twenty-six municipalities have listed the socially owned enterprises land they request for public use.

91. The Kosovo Trust Agency launched the incorporation of UNMIK railways, district heating and the Kosovo electric company (KEK). The incorporation of Post and telecommunications of Kosovo (PTK) and Prishtinë Priština Airport were completed. A joint UNMIK-Provisional Institutions of Self-Government task force was established to coordinate support to the revenue collection efforts of KEK.

92. A new excise code, a law on support to small and medium-sized enterprises and a reviewed procedure for appointments to the Kosovo Pensions Saving Trust

were promulgated. The BPK published annual reports on Kosovo's economy and is developing a series of bulletins on economic developments.

93. Loans from the European Bank for Reconstruction and Development to support a small and medium-sized enterprise credit line and a World Bank grant to strengthen Kosovo's business environment and public expenditure management were agreed upon.

94. Twenty-four municipalities have local economic development strategies.

95. The establishment of an anti-corruption agency has stalled.

96. Minority employment is 4.4 per cent in the BPK and 4.8 per cent in the TAK.

97. An interim free-trade agreement with the former Yugoslav Republic of Macedonia was concluded; negotiations concluded on an agreement with Bosnia and Herzegovina.

Economy: urgent priorities

98. Institutions for enforcement need further strengthening. An anti-corruption council and an anti-corruption agency need to be established; the Assembly needs to nominate Council members now. The Independent Tax and Customs Review Board remains unable to manage the backlog of appeals; the Assembly needs to designate additional members.

99. Capacity to draft and implement secondary legislation needs strengthening. Implementing authorities need clear direction on new legislation. Costs of legislation need to be considered at the drafting stage to ensure that funds for implementation are available.

100. Public procurement needs to be improved. The public procurement law needs to be revised (requiring completion of the government's review of proposed amendments).

101. Unauthorized budget transfers need to stop. Mechanisms are needed for central monitoring and control overexpenditure obligations incurred by budget organizations.

102. The public sector recruitment freeze (excluding minority hirings and hiring for newly transferred competencies) needs to continue, along with strict control over the public sector wage bill.

103. Socially owned enterprises land sequestered by municipalities needs to be returned and other cadastral issues resolved if privatization is to continue at its current pace.

104. A mechanism is needed to track implementation of local economic development strategies.

Property rights: developments during the reporting period

105. Central level property-related legislation has been inventoried; municipalities have submitted their legislation. The task force established to reform property legislation started work with international support. All administrative instructions required to implement the law on spatial planning were completed. The social housing programme and manual includes categories of women in situations of

vulnerability, such as victims of domestic violence, trafficking and single mothers without regular income.

106. The situational analysis of informal settlements has been completed. The Ministry of Environment and Spatial Planning has completed draft guidelines for spatial planning in municipalities to protect and begin to regularize informal settlements in line with international human rights standards.

107. Adjudication has been completed for 99.4 per cent of the residential property caseload of the Housing and Property Directorate; completion is expected by the end of 2005. Police supported implementation of the Housing and Property Directorate and court decisions as requested. A joint Provisional Institutions of Self-Government-Housing and Property Directorate forum was established to improve coordination of and increase public support for implementation of the decisions of the Directorate.

108. The repossession rate for illegally occupied properties adjudicated by the Housing and Property Directorate remained stable and low (11.45 per cent of implemented C-claims resulted in repossession). The proportion of voluntarily released properties decreased to 13.25 per cent of repossessions. The number of properties administered by the Directorate rose slightly to 6,538 (from 6,381).

109. The backlog of property-related cases in the courts rose to 8,486. Cases continue to be received faster than they are adjudicated. The number of cases stayed by the decision of UNMIK rose to 19,994 (although approximately 500 have been cleared for adjudication).

110. Through complaints received, UNMIK's Department of Justice has identified 40 cases of suspected fraudulent property transactions. The Department of Justice and OSCE have identified problems with the ways courts use property-related evidence and appoint temporary representatives. Preliminary findings do not suggest a systemic pattern of abuse or discrimination. Recommendations for prosecutions and preventive measures are under preparation.

111. UNMIK and the government agreed to a mechanism to resolve outstanding conflict-related property claims, including those relating to agricultural and commercial property. The draft regulation awaits approval from United Nations Headquarters.

112. The Ministry of Environment and Spatial Planning launched a public awareness campaign calling for respect for property rights, and denouncing illegal occupation as neither a viable nor legitimate solution to housing needs.

113. The government continued to draft supplementary legislation to regulate construction.

114. Twenty-six of 30 municipalities have operational cadastres and operational immovable property rights registers (Novoberdë/Novo Brdo's newly established municipal cadastral office is developing; Leposaviq/ć, Zubin Potok and Zveçan/Zvečan continue to work under the authority of the Serbian Geodetic Authority). Most municipalities still lack some cadastral records (removed to Serbia proper in 1999). Letters from me to the Government of Serbia and Montenegro, and direct discussions between officials from Belgrade and Pristina have not resulted in access to these records.

Property rights: urgent priorities

115. Property rights protection in Kosovo remains extremely weak and in need of urgent strengthening. Illegal construction continues by individuals and companies on land owned by others, as well as unpermitted construction on land by its title owners. Concerns continue over possible illegal expropriation of land by municipalities, including land owned by minority communities. Illegal occupation and use of property remains widespread. Kosovo's legislation, courts and administrative procedures need to be significantly strengthened to identify, correct and punish these crimes. The government and public sector need to lead by example, enforcing disciplinary procedures against public servants illegally occupying property. Courts, municipal authorities and police need to increase efforts to enforce property-related law faster and more consistently.

116. Incomplete or absent cadastral records and the ongoing activities of parallel administrative structures exacerbate all property problems and prevent reconstruction of a complete cadastre. The Government in Belgrade needs to provide immediate access to all cadastral records relating to Kosovo, including all records removed in 1999. Withholding these records impedes resolution of existing and new property disputes, including those involving Kosovo Serbs, returnees and potential returnees.

117. Legislation and its implementation needs to be made coherent, consistent and compliant with international human rights instruments and European standards. The laws on real rights and housing need to be harmonized and made coherent with current applicable European standards on property rights and the existing framework for immovable property registration. Secondary legislation for regulating construction needs to be completed. Mechanisms for the independent, timely and effective review of administrative and judicial decisions are needed to protect individual rights.

118. Municipalities need to continue to work on urban development and urban regulatory plans.

119. The backlogged and stayed property cases need resolving as a matter of urgency. The administrative agency for the resolution of conflict-related property claims, including those related to agricultural and commercial property, needs to be established quickly.

120. Social housing stock needs to be developed; establishing a rental scheme for properties administered by the Housing and Property Directorate could help.

Cultural heritage: developments during the reporting period

121. A Reconstruction Implementation Commission, including representatives of the Serbian Orthodox Church and the Institute for the Protection of Monuments in Belgrade (with its own secretariat) has been established to lead reconstruction of Serbian Orthodox sites damaged in March 2004. Thirty priority sites have been agreed; immediate protective works are almost complete. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has established an Experts Committee to manage disbursal of the funds pledged at the May 2005 international donor conference. At its inaugural meeting, this Committee proposed the first 14 projects ($3 million).

122. In the 2005 Kosovo consolidated budget, €4.2 million was allocated for church reconstruction; €1.5 million is expected to be spent by end 2005. The draft 2006 consolidated budget allocates €3.3 million for reconstruction of cultural heritage sites and monuments, including €2.7 million for church reconstruction. Additional funding may be required.

123. Seventeen incidents of theft of or damage to cultural heritage sites were reported: six churches, nine cemeteries, one war memorial, two unauthorized digs at archaeological sites and one excavation that damaged a museum building.

124. The redrafted law on cultural heritage passed at first reading in the Assembly. A public hearing was held, and the law is scheduled for adoption by the Assembly before the end of 2005.

125. Fieldwork was completed for the inventory of cultural heritage in Kosovo (2,847 sites registered). Work on the official inventory stalled.

126. The Minister of Culture, Youth and Sport promoted the need for protection of cultural heritage in Kosovo through public service announcements broadcast over the summer.

127. Minority employment remained at 14.7 per cent in the Ministry of Culture, Youth and Sport (22.2 per cent in the Cultural Heritage Department), and 11.06 per cent in regional cultural institutions, but fell to 2.42 per cent in the central cultural institutions.

Cultural heritage: urgent priorities

128. Reconstruction of Serbian Orthodox sites needs to be completed. The government needs to budget for the additional €1.5 million pledged at the international donor conference. The Minister of Culture, Youth and Sport needs to support the Reconstruction Implementation Commission and its secretariat and to fulfil its financial and procurement obligations to the Commission in a timely and transparent way.

129. Fieldwork data on cultural heritage sites needs to be compiled into an official inventory. Selections need to be made for the catalogue in a balanced, inclusive way that avoids creating controversy.

130. Symbolically important sites such as the Deçan/Dečani Monastery continue to be guarded by KFOR. The underlying respect for Kosovo's cultural heritage as the common patrimony of all of Kosovo's ethnic, religious and linguistic communities, most people from all communities respect places of worship, needs to be strengthened by leaders from all political parties. Better outreach, more public information and full immediate condemnation of criminal acts against cultural and religious sites are needed.

131. A structured capacity-building programme is needed for cultural heritage institutions' staff and municipal authorities.

Dialogue: developments during the reporting period

132. All dialogue working groups on technical issues met in June, and subsequently less frequently. The working group on missing persons met in October and December; the working group on energy in November. The working group on

returns held an ad hoc meeting in September. Delegations have generally demonstrated a willingness to discuss issues raised by the other side.

133. The Pristina delegation to the working group on missing persons is in urgent need of reform; it seems not to have access to the necessary data on the fates and burial sites of missing persons, and unlikely to provide this data in the foreseeable future. The Pristina delegation to the working group on energy has not been unified. Only one Pristina delegation includes a woman as a full member.

134. Signature of the draft protocol on returns, developed and finalized by the returns working group, has been stalled by Belgrade since August. There seems little prospect of signature soon.

135. Progress was made in establishing another (environment) working group, including direct telephone communications and a meeting between environment ministers from Pristina and Belgrade.

136. A Kosovan Minister (Culture, Youth and Sport) travelled to Belgrade to meet his counterpart for the first time.

137. Dialogue between the Pristina Government and the Serbian Orthodox Church was improved by a visit to Deçan/Dečani Monastery by the Minister of Culture, Youth and Sport, and a subsequent visit (the first for six years) by church leaders into Deçan/Dečani town to meet municipal leaders.

Dialogue: urgent priorities

138. The main risk to technical dialogue is that both sides will consider all issues to be part of the future status process and will stop discussing technical issues constructively. Ministers and officials need to continue technical dialogue to resolve issues of human concern and to further cooperation to the benefit of both sides.

Kosovo Protection Corps: developments during the reporting period

139. The Civil Protection Brigade was inaugurated. Members received specialist training in the handling of hazardous materials, crisis management and fire-fighting.

140. Minority community participation rose to 6.1 per cent of the active element (target 10 per cent). All vacant Kosovo Protection Corps (KPC) posts continued to be reserved for minority community members. Further minority recruitment efforts included: trilingual barrack signs at 42 KPC installations; trilingual website; trilingual billboards and leaflets; a media campaign; basic training courses in Serbo-Croatian; and civil reconstruction and humanitarian projects in minority and mixed community areas throughout Kosovo.

141. Potential and existing Kosovo Serb members continued to face intimidation from their own communities, reportedly encouraged by Belgrade, resulting in absenteeism leading to dismissal. Retention rates for Kosovo Serbs suffered as a result.

142. KPC teams cleared over 1.7 million square metres of land of unexploded ordnance during 2005. Primary responsibility for responding to reports of explosive ordnance transferred to the KPC from KFOR.

143. KPC continued to provide humanitarian, reconstruction and emergency assistance to all communities, including repairing water systems, clearing rubble, building fencing and improving roads.

144. The revised KPC disciplinary code, consistent with European human rights legislation, came into effect. Excluding absenteeism, disciplinary cases have declined by over 60 per cent since 2002, and continue to decline.

145. A gender equality board and two gender coordinators within each KPC unit have been appointed. KPC will be represented in the Inter-Ministerial Working Group for the Achievement of Gender Equality.

146. KPC made commendable progress in focusing training on future leaders and trainers; an officer career course and University scholarship scheme were established.

147. The duties of the Ceremonial Guard were suspended for two months following continued public statements by KPC over their future, which, constituting engagement in political affairs, were contrary to UNMIK regulation 1999/8 and the KPC disciplinary code. There has been no recurrence of this behaviour.

Kosovo Protection Corps: urgent priorities

148. Minority recruitment and retention efforts need to continue. Women comprise 2.9 per cent of the active KPC force (3.5 per cent of the reserve). Minority communities and women need encouragement from their own communities to join KPC.

149. Further establishing work (standard operating procedures, training plans) is needed for the Civil Protection Brigade.

150. Funding is urgently needed for mission essential equipment; necessary specialist training; establishment of the Civil Protection Brigade; implementing civil projects in minority and other areas in order to encourage support from and build trust between communities; implementing minority recruitment initiatives; completing planned demining programmes; and further professionalization and restructuring.

Annex II

A. Composition and strength of the police component of the United Nations Interim Administration Mission in Kosovo as at 31 December 2005

Country	Number
Argentina	13
Austria	24
Bangladesh	35
Brazil	3
Bulgaria	53
China	18
Croatia	2
Czech Republic	14
Denmark	24
Egypt	21
Fiji	19
Finland	6
France	56
Germany	243
Ghana	12
Greece	11
Hungary	9
India	90
Italy	32
Jordan	42
Kenya	17
Kyrgyzstan	2
Lithuania	8
Malawi	8
Malaysia	12
Nepal	18
Netherlands	1
Nigeria	34
Norway	19
Pakistan	121
Philippines	20
Poland	124
Portugal	9
Romania	186
Russian Federation	58

Country	*Name*
Slovenia	15
Spain	14
Sweden	41
Switzerland	5
Timor-Leste	10
Turkey	134
United Kingdom of Great Britain and Northern Ireland	69
United States of America	267
Ukraine	185
Zambia	9
Zimbabwe	30
Total	**2 143**

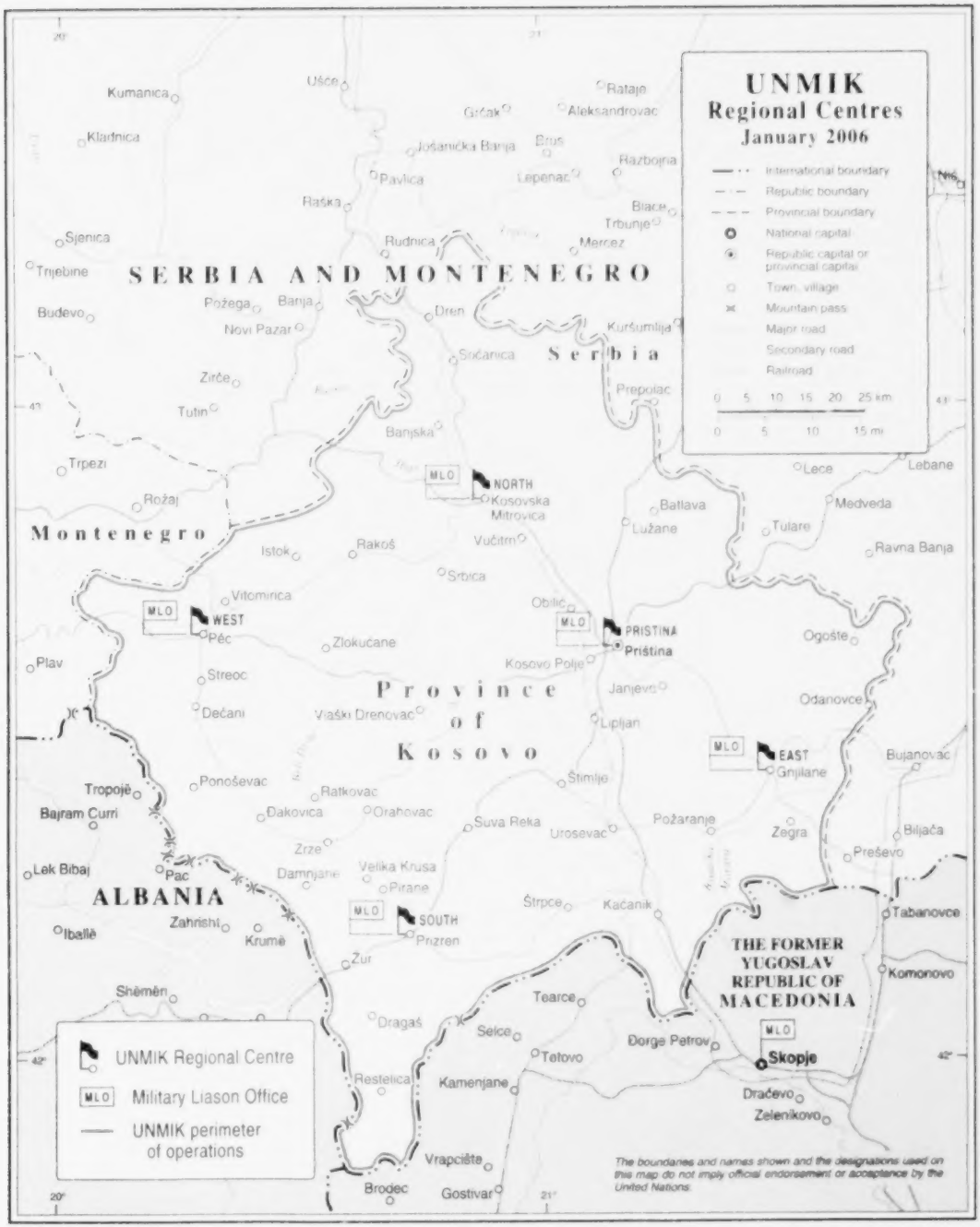
B. Composition of the Kosovo Police Service as at 31 December 2005

Category	*Percentage*	*Number*
Kosovo Albanians	84.50	5 800
Kosovo Serbs	9.67	664
Other ethnic minority members	5.83	400
Total		**6 864**
Men	86.10	5 910
Women	13.90	954

Annex III

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo as at 31 December 2005

Country	*Number of liaison officers*
Argentina	1
Bangladesh	1
Bolivia	1
Bulgaria	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	4
Italy	1
Jordan	2
Kenya	1
Malawi	1
Malaysia	1
Nepal	1
New Zealand	1
Norway	1
Pakistan	1
Poland	1
Portugal	2
Romania	2
Russian Federation	2
Spain	2
Ukraine	2
United Kingdom of Great Britain and Northern Ireland	1
Zambia	1
Total	**37**



Map No. 4133 Rev. 23 UNITED NATIONS
January 2006

Department of Peacekeeping Operations
Cartographic Section